

Congress of the United States
U.S. House of Representatives
Committee on Small Business
2361 Rayburn House Office Building
Washington, DC 20515-6515

MEMORANDUM

TO: Members of the Committee on Small Business

FROM: Committee Majority Staff

DATE: May 18, 2026

RE: Full Committee Hearing Titled: “Building the Future: How Small Home Builders are Closing America’s Housing Gap”

On **Thursday, May 21, 2026, at 10:00 AM ET**, the House Committee on Small Business will hold a hearing titled “**Building the Future: How Small Home Builders are Closing America’s Housing Gap.**” The meeting will convene in Room 2360 of the Rayburn House Office Building. The purpose of this hearing is to highlight the critical role small home builders play in closing America’s housing gap and identify persistent challenges that impede their ability to meet growing demand.

I. Witnesses

- **Bill Owens**, Chairman of the Board, National Association of Home Builders
- **Ivan Rupnik, PhD**, Founding Partner, MOD X, and Associate Professor of Architecture, Northeastern University
- **Eric Schaefer**, Chief Business Development Officer, Fading West Development
- **Emily DiVito**, Senior Advisor for Economic Policy, Groundwork Collaborative

II. Background

Today, the American dream of homeownership feels out of reach for far too many. In truth, the United States housing market has faced persistent supply and affordability challenges for decades.¹ Housing production capacity was weakened by the financialization and integration of housing and financial markets beginning in the 1980s, which was followed by the 2008 Financial Crisis and the subsequent collapse in construction. In the years since, overregulation, rising costs, failure to keep pace with demand, and COVID-19-era disruptions have further strained supply.² This has

¹ Nathaniel Baum-Snow & Gilles Duranton, *Housing Supply and Housing Affordability*, NAT’L BUREAU OF ECON. RESEARCH, 1–3 (Apr. 2025).

² Makinzi Hoover, *The State of Housing in America*, U.S. CHAMBER OF COMMERCE (Mar. 17, 2025).

culminated in a multi-million-unit housing shortage that continues to place pressure on affordability, workforce mobility, and household financial stability.³

Within this historical landscape, small home builders are uniquely positioned to help close the housing affordability gap. Small home builders often operate where larger developers are less active, allowing these firms to deliver housing to high-need areas, such as workforce and entry-level housing.⁴ These small home builders are at the forefront of innovation in housing construction. For example, some small home builders are adopting modular, manufactured, and 3D-printed building methods to reduce costs, shorten project timelines, and improve efficiency.⁵

However, like small businesses in many other industries, small home builders face significant regulatory and financial barriers that limit their ability to scale.⁶ Fragmented regulation, inconsistent building codes, and other compliance requirements increase costs and delay development.⁷ As a result, small home builders are limited in their ability to replicate innovative or standardized designs across jurisdictions. Additionally, constrained access to capital, predevelopment financing, and flexible lending options restrict the ability to initiate or complete projects.⁸ Taken together, these barriers reduce housing supply, slow innovation, and limit the role small home builders can play in addressing housing affordability and availability challenges.

III. Conclusion

Small home builders play a critical role in closing the nation's housing gap through innovation and local development capacity. These small businesses are vital to bringing affordable and attainable homes to the market. The hearing will provide Members with the opportunity to better understand how small home builders are expanding housing supply and to examine regulatory and financial barriers that limit the ability to deliver affordable housing at scale.

³ Hannah Jones & Danielle Hale, *Housing Supply Gap Exceeds 4 Million Homes in 2025*, REALTOR.COM (Mar. 3, 2026); Sam Khater, et al., *Housing Supply: Still Undersupplied by Millions of Units*, FREDDIE MAC (Nov. 26, 2024).

⁴ Bob Woods, *10 Tons, Built in Seven Days, and Maybe a Way to Restore American Dream of Affordable Home Ownership*, CNBC SMALL BUS. PLAYBOOK (Sept. 27, 2025).

⁵ Nick Bertram, et al., *Modular Construction: From Projects to Products*, MCKINSEY & CO., 10 (Jun. 2019); Ivan Rupnik, et al., *Modularization Precedes Digitalization in Offsite Housing Delivery*, JOINT CTR FOR HOUSING STUDIES OF HARVARD UNIV., 6–8 (Nov. 2022); Francesca Mari, *How an American Dream of Housing Became a Reality in Sweden*, THE NY TIMES (Jun. 8, 2024).

⁶ Brett Theodos, et al., *The Challenges Facing Small or Emerging Multifamily Housing Developers and Strategies to Overcome Them*, URBAN INSTIT., 2–7 (Sept. 2025).

⁷ Joseph Gyourko & Raven Molloy, Regulation of Housing Supply, in 5 *Handbook of Regional and Urban Economics*, 1316 (Gilles Duranton, et al., eds., 2015); The Nat'l Instit. of Building Sciences, *NIBS, ModX Launch Initiative to Streamline Housing Approval Through System Certification* (Feb. 12, 2026).

⁸ Paul Emrath, *Credit Conditions for Builders Tighten*, NAT'L ASSOC. OF HOME BUILDERS (Aug. 15, 2025); John McManus, *As Builders Face Bank Fatigue, New Financing Paths Emerge*, THE BUILDER'S DAILY (Oct. 28, 2025).